

Council

19/36 A meeting of the Council was held in Room G03, Building L022, London Road, on Monday 8 July 2019 at 2.15 pm.

The President
 The Vice-President (Mr R.E.R. Evans)
 The Vice-Chancellor
 The Deputy Vice-Chancellor (Professor G. Brooks)
 The Pro-Vice-Chancellor (Professor M Fellowes)
 The Pro-Vice-Chancellor (Mr V. Raimo)
 The Pro-Vice-Chancellor (Professor P. Yaqoob)

Miss F Bangham	Professor C.L. Furneaux
Mr T. Beardmore-Gray	Ms H. Gordon
Professor J. Board	Ms M. Hargreaves
Miss M. Cleaver	Mr S.P. Sherman
Mr K. Corrigan	Ms S.M. Woodman
Mrs P. Egan	

In attendance:

The Chief Strategy Officer and University Secretary
 The Chief Financial Officer
 The Director of Quality Support and Development

Apologies were received from the Vice-President (Mrs K. Owen), Dr P. Erskine, Miss G. King, Professor J.R. Park, Mr S.C.C. Pryce, and Dr B. Rawal.

The President welcomed Miss Cleaver, RUSU President, and Miss Bangham, RUSU Education Officer (*vice* Miss G. King, RUSU Welfare Officer), to their first meeting of the Council.

The University Secretary and Chief Strategy Officer advised Council that a new document management system for the Council and its committees would be implemented over the summer. Support for members in using the new system would be available; however, it was expected that the new system would be more intuitive than the current system.

19/37 The minutes (19/18–19/35) of the meeting held on 18 March 2019 were confirmed and signed.

Arising on the Minutes:

Minute 19/25: Sub-Group of Council on the University of Reading Malaysia

The Pro-Vice-Chancellor (Global Engagement) reported that the Sub-Group of Council on the University of Reading Malaysia (UoRM) had approved a business plan for a new operating model for UoRM, which involved focusing on teaching activity, and reducing costs by halving the size of the campus and halving the staff complement to a level consistent with a teaching-intensive institution. Implementation of the new business plan was progressing well. The restructuring of the staff was being achieved through a mutual separation scheme, in accordance with Malaysian employment law, and those staff who had been identified to leave UoRM had accepted the terms offered. Pharmacy at UoRM had now closed, and the remaining students had transferred to the UK campus and would be supported with their additional living and travel costs; they were very satisfied with this outcome. Recruitment to PhD programmes had been discontinued, but current PhD students would continue to be supported. The Law programme had now received final approval from the Ministry of Education and recruitment had begun. The Pro-Vice-Chancellor (Global Engagement) reported that the Malaysian press had been positive about the restructuring, its focus on teaching and the alignment of the programme portfolio with regional economic and social needs.

In response to questions, the Pro-Vice-Chancellor (Global Engagement) explained that conservative assumptions had been used in the new business model and that there was a realistic expectation that it would be achieved. The staffing model was consistent with the practice of other UK higher education providers in Malaysia. The new business model acknowledged the numbers of students who transferred from the Foundation Year in UoRM to programmes at the UK campus, and recognised this as one of the primary purposes of the Foundation Year.

Items for note

19/38 Membership of the Council

Class 7

It was reported that, consequent upon the Students' Union elections, the following would be members of the Council in the Session 2019-20:

Members:

Miss Molli Cleaver
Miss Gemma King

RUSU President
RUSU Welfare Officer.

19/39 Documents sealed and to be sealed (Item 4.1)

The Council received a list of documents sealed and to be sealed.

Resolved:

‘That the Council approve the action taken by the Officers and Members in affixing the University Seal to documents sealed since the last Ordinary Meeting of the Council and authorise the Seal of the University to be affixed to the documents to be sealed as now reported.’

Main item of business: strategic matters for discussion and decision

19/40 University Strategy (Item 5)

The Council received a paper and a presentation by the Vice-Chancellor on the new University Strategy which was currently being developed.

The Vice-Chancellor explained that, recognising the instability of the higher education environment, he intended that the new University Strategy should be dynamic and responsive to changes in its social, political and sectoral contexts. In consequence, the new strategy was structured around a number of principles which would guide the University’s direction and priorities and through changing circumstance. The four principles related to: Community, which would put students, colleagues and community partners at the centre of the University’s work; Excellence, which would set aspirational targets for teaching and research whereby 50% of the University’s academic subjects would be in the top quartile in the UK sector by 2026; Sustainability, which would seek to ensure that the University is financially sustainable by 2026; and the Engaged University, which would focus on a distinctive aspect of the University’s identity (for example, its ‘green’ environmental commitments) which would resonate with, and inspire, significant sections of society, including numbers of the younger generation. The Vice-Chancellor outlined the process for developing the strategy and noted that the response of staff, students, and external stakeholders to the consultation had been excellent. The new strategy would be supported by a five-year implementation plan.

In response to questions, the Vice-Chancellor acknowledged the need for flexibility in identifying targets and key performance indicators which were meaningful in the context of particular disciplines, while maintaining a clear focus on achieving the purposes of the strategy and ensuring accountability. He was alert to the risk that a strategy, if inappropriately rigid, could have perverse consequences if Schools were diverted from their key strengths and important markets. He endorsed the view that the University needed to take a long view and consider both the strengths which had been the basis of its success over the past 50 years and the challenges which might face society and the University in ten years’ time. He also indicated that, in the context of diminishing income from student fees and increasing financial challenges, senior management needed to be open about the University’s, Schools’ and Functions’ financial position and to encourage local ownership of issues.

He acknowledged the decline in the University’s ranking over the past few years, and referred to a range of work which would address the issues,

including: removing over-assessment which penalised both students and staff; changing the management of major infrastructure projects to ensure that, while making improvements for future students, the University continued to protect the interests of current students; and rationalising processes for quality assurance and academic governance to maximise their value and optimise their efficiency. He outlined the engagement of RUSU and students in the consultation, and reported that students generally had urged the University to be more ambitious in the strategy and had strongly supported the development of its 'green' identity.

In response to further questions, the Vice-Chancellor noted that the University's 'green' ambitions would require strong ethical and financial commitments, and would be open to challenge from students and other stakeholders.

Council discussed the new strategy in small groups. Key points raised in these discussions included: the value of market-testing the strategy and its likely consequences with future students; the need for realistic costings for its 'green' ambitions; greater emphasis on students being at the heart of the strategy; consideration whether financial sustainability was a principle, given that it is simply a necessity; and the need to include diversity and inclusivity more clearly in the strategy.

Council endorsed the direction of the proposed new strategy and looked forward to receiving a fuller, revised version at its meeting in November. The Vice-Chancellor advised that the emerging strategy would inform the planning round in October 2019-January 2020. He invited further comments on the strategy from individual members.

Resolved:

'That a paper on the University Strategy, now submitted, be received.'

Matters for report

19/41 Oral Report on RUSU Priorities (Item 6(a))

Miss Cleaver and Miss Bangham outlined the priorities of the new RUSU sabbatical officers, which included: extending library opening hours; improving the quality of feedback on written assignments; increasing space available for events and improving the current space; finding more and different ways to celebrate the University's cultural diversity; improving access to mental health services; and building stronger relationships with the local community. The officers would be consulting on, and refining, their priorities over the coming weeks, and would report on the progress of their work to Council at its next meeting.

The Council joined the President in wishing them an enjoyable and productive year.

19/42 Report of the Student Experience Committee (Item 6(b))

The Council received the Report of the meeting of the Student Experience Committee held on 19 June 2019.

The Council noted the final report from the outgoing RUSU sabbatical officers on their work over the past year. The Deputy Vice-Chancellor, in the absence of the Committee's Chair, noted that the Committee had benefitted greatly from the contribution of the outgoing team, who had been effective in setting priorities, had achieved many of those which were feasible within their term of office, and had set the foundations for longer-term projects. They had challenged the University in key areas and had contributed substantially to the improvement of the student experience, including through their prioritisation of the £1m student experience fund. The Committee had welcomed the new sabbatical team and was looking forward to working together over the next year.

He reported that the Committee had reviewed the RUSU annual report and accounts, and was satisfied that RUSU was operating appropriately.

Resolved:

'That the Report of the meeting of the Student Experience Committee held on 19 June 2019, now submitted, be approved.'

19/43 Report of the Senate (Item 7)

The Council received the Report of the meeting of the Senate held on 27 June 2019.

Resolved:

1. 'That a revised Charter of Incorporation, as now submitted, be approved and submitted to the Privy Council for consideration;'
2. 'That, contingent on (1) above, and the approval by the Privy Council of the same, revised Ordinances, as now submitted, be approved.'
3. 'That the Report of the meeting of the Senate held on 27 June 2019, now submitted, be approved.'

19/44 Report of the Vice-Chancellor (Item 8(a))

The Vice-Chancellor:

- (a) reported that confirmation of the relocation of the headquarters of the European Centre for Medium-Range Weather Forecasts (ECMWF) to the Whiteknights campus was expected before December. Plans were well-advanced, and the University was maintaining contact with central government whose assent was required for the scheme to proceed. The ECMWF building would occupy a site at Earley Gate, and in consequence, the School of Art would relocate to the URS Building for a number of years;
- (b) reported on developments in respect of the Universities Superannuation Scheme (USS). He reminded Council of the history of the current issue, which arose from the 2017 valuation of the scheme,

which had indicated a large deficit. Following strike action by the University and College Union (UCU) over the solution proposed by the USS, a Joint Expert Panel (JEP) had been convened by the USS and UCU. The JEP had reviewed the valuation of the scheme, and had proposed three alternative models to address the position in the short term and a more fundamental review in the longer term. Following further discussions between UUK and the USS Trustee, the majority of USS member institutions appeared to support a model which, subject to three conditions designed to provide greater assurance as to the strength of the employer covenant, would increase the total contribution to the scheme to 30.7% of salary, shared between employer and employee. The three conditions related to: arrangements for institutions to exit the scheme with a moratorium on leaving the scheme until 2020; an undertaking by institutions to share with USS information on their debt position; and a commitment for USS to receive pari passu (equal ranking) protection when secured debt is issued. Any proposed resolution would be subject to approval by the Pensions Regulator, who had the power to impose more stringent terms.

While accepting that a pragmatic response in the immediate term might be necessary, lay members were concerned that the USS, as a defined benefit scheme, was unsustainable, and that rapid progress should be made towards a long-term solution which would be affordable and would limit the University's liabilities in the event of the failure of another member institution. They believed that the Council should be more closely involved in the strategic oversight of the University's approach to pension schemes, given the magnitude and duration of pension commitments and their financial implications; however, operational decisions clearly lay with the executive.

Lay members suggested that the University independently seek advice from pensions consultants, notwithstanding the USS's commission of such services for its own part, and that Council establish a sub-group to consider the issue so that the University was well-placed to act once the moratorium on the departure of institutions lapsed in 2020. Council was mindful of the risks involved in leaving the scheme, given the associated costs, the possible impact on the University's capacity to borrow, and the uncertainty in relation to the range of consequences.

Council reluctantly agreed to endorse the recommended option, as described, and accept its three conditions in order to address the immediate issue. The President asked that Council's concerns be made known to the USS, and Mrs Hargreaves reinforced the importance of the Vice-Chancellor's commitment to communicate the issue clearly to University staff and advise them of developments in due course;

(c)

In response to questions, Professor Yaqoob explained that the original proposal for the establishment of a medical school had not proceeded to submission due to the challenging timescales, financial pressures, and a growing awareness that preference would be given to proposals related to socially and medically deprived areas. She indicated that the lower projected costs had been achieved through savings in infrastructure, and that these savings remained consistent with aspirations to excellence. She confirmed that there was limited scope for curricular innovation in the early years of a medical school, given the need to align with the curriculum of an established medical school.

- (d) invited the Deputy Vice-Chancellor to report on the recently published results of the National Student Survey and the outcome of the Teaching Excellence Framework (TEF) pilot (which remained confidential to the University).

The Deputy Vice-Chancellor advised that the University now stood at 76th in the NSS ranking, having improved its position by 24 places. The proportion of students who were satisfied with learning resources had increased by some 8%, though this remained significantly below the sector average due to the challenges arising from the Library refurbishment, and there remained substantial work to be done in relation to Assessment and Feedback, which again remained below the sector average.

In response to questions, the Deputy Vice-Chancellor confirmed that the University was seeking to ensure local ownership of the issues identified in relation to individual subjects and in relation to the provider-level submission.

Resolved:

“That the Report of the Vice-Chancellor, now submitted, be approved.”

19/45 Update on the REF (Item 8(b))

The Council received an update on the Research Excellence Framework.

In response to questions, Professor Yaqoob explained that the methodology for REF2021 differed from REF2014 in a number of respects, including a requirement that all staff with an element of research in their contract be included in the submission. While the University in REF2014 had been less selective than many universities, there were some units of assessment which might be adversely affected by this requirement.

Resolved:

‘That the Update on REF, now submitted, be received.’

19/46 Report of the Strategy and Finance Committee (Item 9)

The Council received a Report of the meeting of the Strategy and Finance Committee held on 10 June 2019.

- (a) In relation to the terms of reference of the Strategy and Finance Committee and the Investments Committee, the President reported that the Strategy and Finance Committee, for its part, had endorsed the proposed amendments.
- (b)
- (c) The President noted the recent work on the admissions and recruitment strategy led by Professor Fellowes. Professor Fellowes explained that, due to the demographic dip in the number of eighteen year olds and the University’s ambitions in respect of league tables, the University, in managing the admissions process this summer, would need to be particularly agile in its adaptation to circumstance and in its response to enquirers, and prudent in relation both to the quality of incoming students and to financial factors.
- (d) In relation to the University budget 2019-20, the Chief Financial Officer reported that the University’s budget for 2019-20 was achievable, provided the recruitment targets in the summer were met.

She noted that

Wokingham Borough Council had declined planning permission for the development of land at Cutbush South A, following representations from local residents,

The University was currently considering the possibility of an appeal against the planning decision.

In response to questions, the Chief Financial Officer reported that the construction of the Biosciences building and the refurbishment of the Library were progressing to completion, but plans for the expansion of accommodation for the business school had been suspended. She referred to a range of other measures to improve the University's financial position, including: ongoing work in relation to savings in Schools, reduction of central costs, including more sparing use of consultants, full economic costing of research, the contribution of HBS to the University, and improving the University's commercial income. Professor Fellowes advised that there were areas of the University which were not currently financially viable, but that it was important that actions in these areas did not compromise the potential for the future growth of the University.

- (e) The President was pleased to report that the work on establishing more robust arrangements in respect of wholly owned subsidiaries and trusts was on track.

Resolved:

1. 'That a report on Financial Savings and Review of 2019 Voluntary Redundancy Process, now submitted, be received.'
2. 'That the Financial Report 2018/19: Quarter 3 Forecast, now submitted, be received.'
3. 'That a paper on the admissions and recruitment strategy, now submitted, be received.'
4. 'That the University Budget 2019/20, now submitted, be approved.'
5. 'That the Financial Forecasts 2019/20-2023/24, now submitted, be approved.'
6. 'That a paper on wholly owned companies and trusts, now submitted, be approved.'
7. 'That a progress report on the University of Reading Malaysia, now submitted, be received.'
8. 'That the Report of the meeting of the Strategy and Finance Committee held on 10 June 2019, now submitted, be approved.'

19/47 Report of the Investments Committee (Item 10)

The Council received the Report of the meeting of the Investments Committee held on 10 June 2019.

The Council noted that the Committee had considered its draft revised terms of reference and had suggested a number of areas which would benefit from review and amendment. These suggestions would be considered in the first instance by the University Executive Board.

Resolved:

“That the Report of the meeting of the Investments Committee held on 10 June 2019, now submitted, be approved.”

19/48 Report of the Audit Committee (Item 11)

The Council received the Report of the meeting of the Audit Committee held on 6 June 2019.

Mr Beardmore-Gray, as Chair of the Committee, reported that the Committee had received from Deloitte their planning report on the audit for the year ended 31 July 2019 and a letter setting out their future approach. He noted that Deloitte, in the first year of their appointment, had naturally raised a range of issues where their expectations and interpretations were at variance with those of their predecessors. He commended the Director of Finance and his team for their full and constructive response to the matters raised in the audit.

The Council thanked the Chair and Committee for their work over the past year.

Resolved:

‘That the Report of the meeting of the Audit Committee held on 6 June 2019, now submitted, be approved.’

19/49 Report of the Appointments and Governance Committee (Item 12)

The Council received the Report of the meeting of the Appointments and Governance Committee held on 11 June 2019.

The President, as Chair of the Committee, reported that a selection panel, having interviewed fourteen short-listed candidates, had unanimously selected six new members of Council under Class 2. He advised that they were well-qualified for the role and would be able to contribute their substantial experience and expertise to key areas of the Council’s work.

The President reported that a selection panel had appointed Professor M. Fellowes as Pro-Vice-Chancellor (Academic Planning and Resource) for a period of six year from 1 August 2019. The Council welcomed his appointment and offered its congratulations.

The President noted that the Committee, having received a report from the University Secretary, had been pleased to confirm the Council’s full compliance with the CUC Code of Practice.

The President withdrew from the meeting at this point for the remainder of this item. Mr Evans, as Vice-President, reported that he had consulted members of Council on a proposal that Mr Preston’s term of office as President of the Council be extended to 31 July 2022. Members had unanimously supported the proposal, and the Committee had agreed to recommend it to Council for approval.

Resolved:

1. ‘That the following be appointed to membership of the Council in Class 2:

From 1 August 2019 to 31 July 2022

Sue Maple
Peter Milhofer
Nigel Richards
Chris Shaw
John Taylor

From 1 August 2020 to 31 July 2023

Geoff Braham.’

2. ‘That:

a) Remuneration Committee

- i) Sue Maple be appointed to the Remuneration Committee (*vice* Sherman) to serve until 31 July 2022;
- ii) John Taylor be appointed to the Remuneration Committee (*vice* Woodman) to serve from 1 August 2020 until 31 July 2022, but with right of attendance from 1 August 2019;
- iii) Dr Paul Preston be re-appointed to the Remuneration Committee to serve until 31 July 2022;

b) Appointments and Governance Committee

- i) Sue Maple be appointed to the Appointments and Governance Committee (*vice* Sherman) to serve until 31 July 2022;
- ii) John Taylor be appointed to the Appointments and Governance Committee (*vice* Woodman) to serve from 1 August 2020 until 31 July 2022, but with right of attendance from 1 August 2019;
- iii) Professor Gavin Brooks be re-appointed to the Appointments and Governance Committee to serve until 31 July 2020;
- iv) Dr Paul Preston be re-appointed to the Appointments and Governance Committee to serve until 31 July 2022;

c) Audit Committee

- i) Peter Milhofer be appointed to the Audit Committee to serve until 31 July 2022;
- ii) Nigel Richards be appointed to the Audit Committee to serve until 31 July 2022;
- iii) Dr Paul Preston be re-appointed to the Audit Committee to serve until 31 July 2022;
- iv) Kevin Corrigan be re-appointed to the Audit Committee to serve until 31 July 2022;
- v) Luke Holt be re-appointed to the Audit Committee as an ad hoc member to serve until 31 December 2022;

- vi) To note that one vacancy remained for the Strategy and Finance Committee representative (vice Sherman);

- d) Strategy and Finance Committee
 - i) Simon Pryce be re-appointed to the Strategy and Finance Committee to serve until 31 July 2022.
 - ii) Dr Paul Preston be re-appointed to the Strategy and Finance Committee to serve until 31 July 2022.
 - iii) Helen Gordon be appointed to the Strategy and Finance Committee to serve until 31 July 2020.
 - iv) Tom Beardmore-Gray be appointed to the Strategy and Finance Committee from a date to be determined, until 31 July 2020;

- e) Investments Committee
 - i) Kevin Corrigan be re-appointed to the Investments Committee to serve until 31 July 2022;
 - ii) Simon Pryce be re-appointed to the Investments Committee to serve until 31 July 2022;
 - iii) Dr Paul Preston be re-appointed to the Investments Committee to serve until 31 July 2022;
 - iv) Paul Lewis be re-appointed to the Investments Committee as a co-opted member to serve until 31 July 2022;

- f) Student Experience Committee
 - i) Chris Shaw be appointed to the Student Experience Committee to serve until 31 July 2022;
 - ii) Tom Beardmore-Gray be appointed to the Student Experience Committee to serve until 31 July 2022;
 - iii) Penny Egan be appointed to the Student Experience Committee to serve until 31 July 2022;

- g) Joint Standing Committee of the Senate and the Council on Honorary Degrees
 - i) To note that two vacancies remained, which would be appointed to during the Spring Term 2020;
 - ii) Dr Paul Preston be re-appointed to the Honorary Degrees Committee to serve until 31 July 2022;

- h) Council
 - i) To note that Michelle Hargreaves would leave the University in July 2019; an election would be held for her replacement;
 - ii) Professor Julian Park be reappointed to the Council to serve until 31 July 2021;
 - iii) Kevin Corrigan and Simon Pryce be re-appointed to membership of the Council in Class 2 to serve until 31 July 2022;

iv) Dr Preston be re-appointed as President of the Council to serve until 31 July 2022.’

3. ‘That a report that the University remains fully compliant with the CUC Code of Practice, now submitted, be approved.’
4. ‘That the Report of the meeting of the Appointments and Governance Committee held on 11 June 2019, now submitted, be approved.’

19/50 Report of the Joint Standing Committee of Council and Senate on Honorary Degrees (Item 13)

The Council received a Report of the Joint Standing Committee of Council and Senate on Honorary Degrees.

The President reminded the Council that the information contained within this Report should be regarded as strictly confidential until such time as the proposed recipients had been contacted and had accepted the University’s invitation.

Resolved:

“That the Report of the Joint Standing Committee of Council and Senate on Honorary Degrees, now submitted, be approved.”

19/51 Report of the Remuneration Committee (Item 14)

The Council received the Report of the meeting of the Remuneration Committee held on 11 June 2019.

Mr Evans, as Chair of the Committee, reported that the Committee had received reports on the review of the Grade 9 pay and grading structure, on the Professional Salaries Advisory Group, and on the Senior Salaries Advisory Group. Ms Woodman, as the lay member on the two Advisory Groups, confirmed that she was wholly content with their application of the relevant procedures.

Resolved:

‘That the Report of the meeting of the Remuneration Committee held on 11 June 2019, now submitted, be approved.’

19/52 Items to be referred by Council to the Strategy and Finance Committee (Item 15)

There were no items which Council wished to refer to the Strategy and Finance Committee.

19/53 Retirements from the Council (Item 16)

The President noted that Mr Steve Sherman and Dr Peter Erskine would complete their periods of office before the next meeting of the Council, that Dr Bina Rawal had tendered her resignation from the Council, and that Ms

Michelle Hargreaves was leaving the University's employment. The Council thanked them for their service to Council over their periods of office.

19/54 List of Meetings for 2019-20 (Item 19)

The Council received the list of provisional dates for meetings for 2019-20, for the information of members.

Meetings of the Council next Session were provisionally scheduled to take place as follows:

Wednesday 27 November 2019 10.00 am (preceded by a strategy session and dinner on Tuesday 26 November)

Thursday 23 January 2020 2.15 pm

Monday 16 March 2020 2.15 pm

Monday 6 July 2020 at 2.15pm

Resolved:

'That the list of provisional dates for meetings of the Council for 2019-20, now submitted, be received.'